(b) whether, after the deregulation of coal prices a decade back, coal prices have declined by 1.1 per cent per annum in real terms accounting for inflation;

(c) whether increased wage bills, involving an additional outgo of about Rs. 4,000 crore a year, warrant an upward revision of coal prices; and

(d) if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRI SHRIPRAKASH JAISWAL): (a) No, Sir, not since the last price revision in October, 2009.

(b) After complete deregulation of coal price in January, 2000, coal prices have declined in real terms. During the 9-Year period of deregulation, general revision in coal price has taken place on 3 earlier occasions *viz.* 01.02.2001 (10%), 16.06.2004 (15%) and 12.12.2007 (10%). In other words, the current coal prices are about 51% higher than the coal prices prevailing in January, 2000, compared to 55% increase in the wholesale price index during the same period.

(c) Coal prices have been revised as recently as in October 2009 only.

(d) Does not arise in view of answer to part (c) above.

Reforms in coal sector

287. SHRI GIREESH KUMAR SANGHI : Will the Minister of COAL be pleased to state :

(a) whether the Expert Committee headed by Shri T.L. Shanker to suggest reforms in coal sector has submitted its report to Government; and

(b) if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRI SHRIPRAKASH JAISWAL) : (a) and (b) Yes, Sir. The Expert Committee constituted by Ministry of Coal on Road Map for Coal Sector Reforms under the Chairmanship of Shri T.L. Shanker submitted Part-I of the Report in December, 2005 and Part - II in September, 2007.

The MAJOR recommendations made in the report are as under :

1. Augmenting domestic coal production to bridge the gap between demand and supply with emphasis on captive coal mining.

2. As coal shall remain Indiaus primary source of commercial energy supply, a time-bound plan to cover the entire country by regional mapping in 15 years should be prepared by Geological Survey of India, Central Mine Planning and Design Institute (CMPDIL) and Ministry of Coal (MOC).

3. Coal India Limited (CIL) may be granted the status of Navratna company and the subsidiaries of CIL may be granted the status of Mini Ratna companies in which case only those proposals of such a subsidiary would need government approval wherein the capital expenditure exceeds Rs. 500 crore.

4. The issue of major restructuring of CIL should be considered during the 12th Plan period.

5. The environmental issue in respect of coal projects should be taken up on priority consideration by the Government.

6. Planned imports of coal need to be encouraged.

7. Increasing proportion of all domestic coal that is not earmarked for Power Sector be brought into the E-auction market over the next 2 to 3 years.

8. The current system of linkages feeding the power sector may be replaced with formal long term Fuel Supply and Transport Agreements that include the Railways.

9. All possible legal measures should be evolved to cancel the licenses issued earlier if the allottee has not taken adequate steps to bring the allotted mines to production or in setting. up the end use units.

10. Coal price would need to be regulated in light of the market realities. The regulation of coal price has to be differentiating the pricing of coal for power generation since it consumers 80% of the domestic production and the quality of coal it consumes is not easily saleable to the steel and cement sectors.

11. Promotion of underground mining.

12. Improve production and productivity of men & machinery with focus on technology up gradation.

13. There is need to have permanent cell for technology evaluation and monitoring and improving the systematic operating procedures for modern new equipment procurement (in CIL).

14. Switch over to Gross Calorific Value (GCV) based pricing and grading of coal.

15. Promote coal washing.

16. Promotion of cutting edge technologies like Underground Coal Gasification (UCG), Coal Bed Methane (CBM), Coal Mine Methane (CMM), Coal to Liquid (CTL) etc.

17. Although India is not under any obligation under Kyoto Protocol to reduce emissions, it is recommended that India should assume their role of a responsible user of coal taking every effort to reduce the emission level of coal as well as its consumption.

18. Outsourcing should be differentiated from contract labour employment. It is not a method to extract more work and pay less to unskilled and semi skilled labour. In fact, it becomes relevant and inevitable in tasks, which call for specialized skills.

19. Setting up of a Coal Governance & Regulation authority (CGRA) to co-ordinate and attend to all issues relevant for development of coal resources, regulation of coal price (wherever necessary), and nuturing level playing field between the entrenched large public sector coal companies and the emerging small coal companies in the State public sector and the captive mining sector.

20. Ensure proper mine closure and restoration of mined out areas. The Coal Regulatory Authority should be given the responsibility to monitor the resotration work. A fee of Rs. 10 per tonne of coal mined as Mine-restoration levy should be collected annually and release as grants on for such work.

21. Coal R & D fund should be created whereby half of one percent of the turnover of all coal companies in the public and private sectors is deposited. CGRA could manage the funds.

Tie up with global mining firms

288. SHRI GIREESH KUMAR SANGHI : Will the Minister of COAL be pleased to state :

(a) whether the state run Coal India Ltd. is looking to tie up with the global mining firms to jointly mines coal abroad;

(b) whether the countryus largest coal firm is looking to secure assets in four countries, *viz.* Indonesia, Australia, South Africa and the US;

(c) if so, whether any agreement has been reached with these countries in this regard;

(d) if so, the details thereof; and

(e) by when a final decision in this regard is likely to be taken ?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRI SHRIPRAKASH JAISWAL) : (a) Yes, Sir.

(b) Yes, Sir.

(c) No agreement has so far been reached with any of these countries.

(d) and (e) Does not arise in view of reply to (c) above.

Supply of Coal for Electricity Generation

289. SHRI SHYAMAL CHAKRABORTY : Will the Minister of COAL be pleased to state :

(a) the quantum of coal supplied to the State owned electricity generating companies at controlled price and decontrolled price; and

(b) whether the coal supplied for the generation of electricity is sufficient to fulfill their requirements?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRI SHRIPRAKASH JAISWAL) : (a) Since coal is deregulated, the Coal India Limited (CIL) and Singareni Collieries Company Limited (SCCL), the coal Public Sector Undertakings, are exercising the authority of fixing the prices of its products *i.e.* different grades of coal. The coal supplies to State owned electricity generating companies are made as per prices notified by CIL and SCCL.